effects upon the elasticity of industry. A tax on retail purchases has much to be said in its favour, but against it is the inequity inseparable from the impossibility of graduating it according to the ability of the taxpayer to bear the burden; and a general tariff on imported goods, though it would be welcomed by the many Protectionists in our midst, can hardly be considered as a practical fiscal weapon at a time when the need for food, raw material, and all the equipment of industry will make it necessary to import as rapidly and as cheaply as possible in order to promote our after-war recovery.

Apart from these purely economic arguments against the high proportion of the war's costs that we are meeting by borrowing, there is the much more important fact of its bad effect on the minds of our soldiers, and of those members of the civilian population who draw mistaken inferences from its effects. From the point of view of our soldiers, who have to go and fight for their country at a time when those who are left at home are earning high wages and making big profits, it is evidently highly unfair that the war should be financed by a method which postpones taxation. The civilian population left at home, earning high profits and high wages, should clearly pay as much as possible during the war by immediate taxation, so that the burden of taxation may be relieved for our soldiers when

they return
to civil life. In view of the hardships and dangers
which our soldiers have to face, and the heroism
with which they are facing them, this argument
should be of overwhelming strength in the eyes of